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October 23, 2007

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:
LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
AWARD SUPPLEMENTAL AGREEMENTS
SPECS. 6550 and 6847; C.P. 70787, 86905, and 86936
(FIRST DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Award and authorize the Director of Public Works to execute the following Supplemental Agreements:

1. Supplemental Agreement 41 to Consultant Services Agreement PW-11875 with Hellmuth, Obata, Kassabaum, Inc., for additional architectural and engineering services for a \$785,000 not-to-exceed amount.
2. Supplemental Agreement 2 to Consultant Services Agreement PW-11848 with Jacobs Facilities, Inc., formerly CRSS Contractors, Inc., to provide additional construction management services for a \$1,800,000 not-to-exceed amount.
3. Supplemental Agreement 3 to Consultant Services Agreement PW-12231 with Kleinfelder Inc., to provide inspector of record services for a \$195,000 not-to-exceed amount.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will provide sufficient contracting authority for Hellmuth, Obata, Kassabaum, Inc. to continue providing architectural, engineering, medical equipment planning, design, and construction administration services; for Jacobs Facilities, Inc. to continue providing construction management services; and, for Kleinfelder, Inc. to continue providing inspector of record services for the LAC+USC Medical Center Replacement project completion.

BACKGROUND

Construction of the Replacement project is approximately 98 percent complete, and the contractor is scheduled to substantially complete construction by the end of this year. However, it is anticipated that the contractor will continue working during the first few months of 2008 completing various punch list corrections and making adjustments to the heating, ventilation, air conditioning, and other building systems. Hellmuth, Obata, Kassabaum, Jacobs Facilities, and Kleinfelder are needed to continue to provide oversight and coordination services during these final completion activities.

In addition, on September 4, 2007, your Board authorized the Director of Public Works (Public Works) to award a contract for the conversion of the former 24-bed psychiatric ward into a general acute-care ward. This work is scheduled to be completed by the end of April 2008. Hellmuth, Obata, Kassabaum, Jacobs Facilities, and Kleinfelder are needed to provide construction administration, construction management, and inspection services to support this work.

Furthermore, the Department of Health Services (Health Services) has been preparing to move into the new hospital buildings and has identified some areas within the buildings that require modifications to address changes in jurisdictional requirements that took effect after the original plans were designed and permitted or to enhance patient flow. These enhancements are minor in nature and will likely be completed using the Public Works' Job Order Contract (JOC) program. However, these modifications may require design, construction management, and inspection services. It is recommended that concurrently with the scope development of these modifications, each recommended supplemental agreement contain time and material allowances for design, construction administration, construction management, and inspection services should these services be required.

Hellmuth, Obata, Kassabaum, Inc. – Supplemental Agreement 41

On October 1, 1998, Agreement PW-11875 in the amount of \$45,025,000 was executed with Hellmuth, Obata, Kassabaum to provide the architectural and engineering services for the project. On July 24, 2007, your Board approved a supplemental agreement to the Hellmuth, Obata, Kassabaum agreement that extended the duration of construction administration services to December 1, 2007. As described above, there is a need for Hellmuth, Obata, Kassabaum, to continue construction administration services during the closeout and punch list process through March 1, 2008. The proposed supplement also provides for additional construction administration services for the Psychiatric Unit Conversion project.

In addition, the proposed supplemental agreement provides a time and material allowance for potential design and construction administration services for the various modifications proposed by Health Services to address the jurisdictional changes required to be made since the original plans were designed and permitted.

To date, 40 supplemental agreements for additional unforeseen and out-of-scope services have been issued for a total value of \$6,648,309. The proposed supplemental agreement is for a \$785,000 not-to-exceed fee.

Jacobs Facilities, Inc. – Supplemental Agreement 2

On June 16, 1998, your Board awarded Agreement PW-11848 to Jacobs Facilities for \$47,600,000 to provide construction management services. On May 8, 2007, your Board authorized Supplemental Agreement 1 to provide additional construction management services for a \$2,800,000 not-to-exceed fee because the construction completion date had extended beyond what was originally forecasted in Jacobs Facilities' contract and because additional unanticipated services had been requested by the County. Supplemental Agreement 1 was based on a forecast that the project would closeout in fall 2007.

Jacobs Facilities' project staffing has been incrementally reduced as individual elements of the project have been completed. Based on the contractor's completion schedule, we now expect to have a reduced level of Jacobs Facilities staffing through the early part of 2008. The proposed supplemental agreement provides \$1,329,767 for this extension of services as well as staffing being provided to assist with testing and startup of the various building systems, which is essential to the timely and successful completion of the buildings.

The proposed supplement also provides \$170,233 for construction management services for the psychiatric ward conversion project and an allowance of \$300,000 for potential

construction management services for the various enhancements proposed by Health Services. The total fee for the proposed supplemental agreement with Jacobs Facilities is \$1,800,000 and would increase the total contract amount to \$52,200,000.

Kleinfelder, Inc. Supplemental Agreement 3

On October 3, 2000, your Board awarded Agreement PW-12231 to Kleinfelder, Inc., for \$4,372,936 to provide inspection services for the project. On July 18, 2006, and May 8, 2007, your Board approved supplemental agreements with Kleinfelder increasing the total current contract value to \$6,072,936.

The proposed supplemental agreement includes \$95,000 to provide additional inspector of record services for the psychiatric ward conversion, and an allowance of \$100,000 to provide inspection services for the various enhancements proposed by Health Services. The proposed \$195,000 supplemental agreement would increase the total contract amount for Kleinfelder to \$6,267,936.

Implementation of Strategic Plan Goal

This action meets the Countywide Strategic Plan Goal of Service Excellence (Goal 1) by promoting best practices for patient care and the Goal of Fiscal Responsibility (Goal 4) by investing in public health infrastructure.

FISCAL IMPACT/FINANCING

There is sufficient appropriation in the existing project budgets for the award of the supplemental agreements. The supplemental agreements for Hellmuth, Obata, Kassabaum in the amount of \$420,000 and Jacobs Facilities in the amount of \$1,329,767 related to the Replacement project remain within the previously Board-approved budget of \$899,498,218. The supplemental agreements for Hellmuth, Obata, Kassabaum in the amount of \$65,000, Jacobs Facilities in the amount of \$170,233, and Kleinfelder in the amount of \$95,000 related to the Psychiatric Unit Conversion project remain within the previously Board-approved budget of \$8,970,000. The supplemental agreements for Hellmuth, Obata, Kassabaum in the amount of \$300,000, Jacobs Facilities in the amount of \$300,000, and Kleinfelder in the amount of \$100,000 related to Health Services additional modifications are funded within the LAC+USC Medical Center Transition Improvements funded in the 2007-08 Supplemental Resolution approved by your Board on September 25, 2007.

Hellmuth, Obata, Kassabaum Supplemental Agreement 41, in the aggregate amount of \$785,000, consists of \$420,000 included in the Replacement project (C.P. 70787), \$65,000 included in the LAC+USC Medical Center Psychiatric Unit Conversion project (C.P. 86905), and \$300,000 included in the LAC+USC Medical Center Transition project (C.P. 86936).

When added to the original design fee for the Psychiatric Unit Conversion project, this \$65,000 supplement results in a total fee of \$1,003,827 or approximately 15.4 percent of the construction value. Although this fee is in the upper range of what is anticipated for this type of work, it is consistent with the architect/engineer fee schedule approved by your Board on August 21, 1990. The preparation of construction documents for this work is complicated because of the jurisdictional requirements of the Office of Statewide Health Planning and Development (OSHPD). Also, the Psychiatric Unit Conversion is being constructed in three distinct phases, and separate design documents had to be prepared for each phase. In addition to creating new plans for the Conversion project, OSHPD requires that the plans for the Replacement project be amended to remove the work that is no longer part of the construction contract for the Replacement project and is instead being constructed as the new Psychiatric Unit Conversion. The design effort required intricate analysis of each building system to separate the Psychiatric Unit from the balance of the Inpatient Tower building, so that the Inpatient Tower can be fully functioning during construction of the Psychiatric Unit Conversion. Therefore, Public Works believes this fee is appropriate for the work involved.

Jacobs Facilities Supplemental Agreement 2, in the aggregate amount of \$1,800,000, consists of \$1,329,767 included in the Replacement project (C. P. 70787), \$170,233 included in the LAC+USC Medical Center Psychiatric Unit Conversion project (C.P. 86905) and \$300,000 included in the LAC+USC Medical Center Transition project (C.P. 86936).

Kleinfelder Supplemental Agreement 3 in the aggregate amount of \$195,000 consists of \$95,000 included in the LAC+USC Medical Center Psychiatric Unit Conversion project (C.P. 86905) and \$100,000 included in the LAC+USC Medical Center Transition project (C.P. 86936).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Standard supplemental agreements, in the form previously approved by County Counsel, will be used. The existing agreements with Hellmuth, Obata, Kassabaum, Jacobs Facilities, and Kleinfelder include the standard Board-directed clauses that provide for contract termination, renegotiation, hiring qualified displaced County employees, and consideration of Greater Avenues for Independence (GAIN) and General Relief Opportunities for Work (GROW) program participants as well as requiring Hellmuth, Obata,

Kassabaum, Jacobs Facilities, and Kleinfelder to comply with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program) and Chapter 2.203 (Contractor Employee Jury Services Program), and to notify their employees about Board Policy 5.135 (Safely Surrendered Baby Law) and that they may be eligible for the Federal Earned Income Credit.

We have reviewed and reached majority consent from the Project Advisory Committee that the recommended action be adopted.

ENVIRONMENTAL DOCUMENTATION

On June 6, 2000, your Board certified the Environmental Impact Report/Environmental Assessment for the project. Approval of this action does not result in any environmental impacts not already considered in those environmental documents.

CONTRACTING PROCESS

The recommended supplemental agreement with Hellmuth, Obata, Kassabaum is a 1.74 percent increase to the original contract and will bring the total contract value to \$52,458,309.

The recommended supplemental agreement with Jacobs Facilities is a 3.78 percent increase to the original contract and will bring the total contract value to \$52,200,000.

The recommended supplemental agreement with Kleinfelder is a 4.46 percent increase to the original contract and will bring the total contract value to \$6,267,936.

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CONCLUSION

Upon approval of the recommendations, please forward an adopted, stamped copy to my office.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DLW:DL
JSE:DJT:DKM

c: County Counsel
Department of Health Services
Department of Public Social Services (GAIN/GROW Program)
Department of Public Works
Project Advisory Committee (A. Redmond Doms, Jerry Epstein, Nick Patsaouras)